

2013 Tipton County Property Tax Report with Comparison to 2012

Legislative Services Agency

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This report describes property tax changes in Tipton County between 2012 and 2013.

Property tax changes in 2013 were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. However, three statewide trends affected a large number of counties.

- First, pay-2013 was a statewide reassessment year. In past reassessments there were double-digit percentage increases in assessed values, but this time assessments were almost unchanged statewide. The difference was trending, which has been adjusting assessments annually since 2007. Few counties experienced large assessment increases in 2013. Many experienced assessment decreases.
- Second, farmland assessments continued to rise, with the base rate of an acre increasing 8.7% from \$1,500 to \$1,630. High commodity prices and low interest rates were the reason. Rising farmland assessments were especially important in rural counties, where farmland is a larger part of total assessed value.
- Third, many local income tax credit rates increased substantially. This was due to a corrected distribution of local income tax revenues to local governments. Extra income tax revenue was applied to tax credits in 2013. This may mean that credit rates will fall (and tax bills will rise) in 2014.

Still, local factors were most influential in individual counties in 2013. Here is what affected taxes in Tipton County.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2013	6.6%	\$15,092,914	\$822,663,850	5.0%
Change		4.0%	2.4%	
2012	-6.4%	\$14,515,812	\$803,428,125	4.4%

Comparable Homestead Property Tax Changes in Tipton County

The total tax bill for all taxpayers in Tipton County increased by 6.6% in 2013. This was due to a 4.0% in the property tax levy and a sizable decrease in property tax credits funded by local income taxes. In this reassessment year, certified net assessed value increased by 2.4%. The rise in tax bills caused an increase in tax cap credits as a percentage of the levy, from 4.4% in 2012 to 5.0% in 2013.

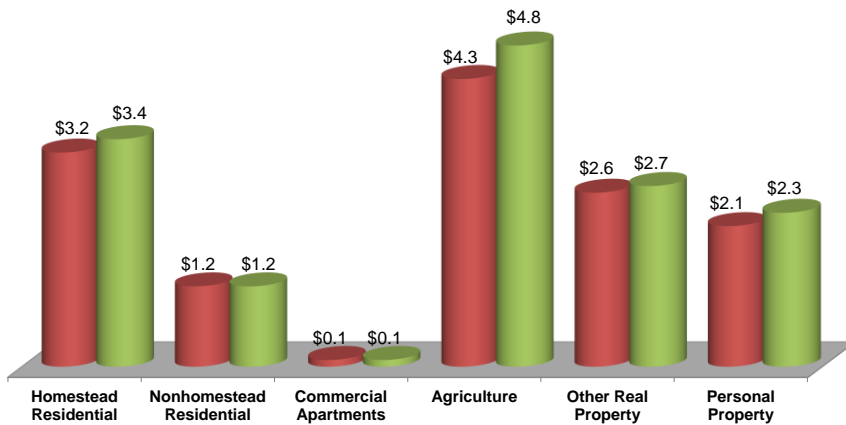
Tipton County homeowners experienced a 7.0% increase in property tax bills in 2013. This was due to a decrease in local property tax credits and an increase in property tax rates, which more than offset a fall in homestead net assessed value. Statewide, the average homeowner's tax bill was almost unchanged.

	2012 to 2013	
	Number of Homesteads	% Share of Total
Summary Change in Tax Bill		
Higher Tax Bill	3,768	62.4%
No Change	102	1.7%
Lower Tax Bill	2,168	35.9%
Average Change in Tax Bill	7.0%	
Detailed Change in Tax Bill		
20% or More	1,577	26.1%
10% to 19%	1,045	17.3%
1% to 9%	1,146	19.0%
-1% to 1%	102	1.7%
-1% to -9%	701	11.6%
-10% to -19%	391	6.5%
-20% or More	1,076	17.8%
Total	6,038	100.0%

Note: Percentages may not total due to rounding.

Comparison of Net Property Tax by Property Type (In Millions)

■ 2012 - Total \$13.5 ■ 2013 - Total \$14.5



In Tipton County most net property taxes were paid by business (other real and personal) and agriculture property owners in 2013. Total net property taxes increased 6.6%, more than the average 2.1% increase statewide. Net taxes on all categories of property increased. Agricultural net taxes increased by the largest percentage.

Property tax rates increased in 8 of 11 Tipton County tax districts in 2013. The average tax rate rose by 1.5% because a levy increase exceeded an increase in certified net assessed value. Statewide, the average tax rate increased by 4.2%.

Tipton County increased by 4.0%, compared to a 3.7% statewide levy increase. Detailed levy changes for local governments in Tipton County are included in a later table.

Property Type	Gross AV Pay 2012	Gross AV Pay 2013	Gross AV Change	Net AV Pay 2012	Net AV Pay 2013	Net AV Change
Homesteads	\$584,852,281	\$573,634,600	-1.9%	\$232,852,095	\$222,028,031	-4.6%
Other Residential	73,671,305	73,233,000	-0.6%	70,481,885	71,459,769	1.4%
Ag Business/Land	302,461,714	330,313,100	9.2%	301,378,892	329,136,268	9.2%
Business Real/Personal	296,335,675	294,312,195	-0.7%	238,660,966	244,508,716	2.5%
Total	\$1,257,320,975	\$1,271,492,895	1.1%	\$843,373,838	\$867,132,784	2.8%

Net AV equals gross AV less deductions and exemptions. Certified net AV is set with the budget, certified by the county auditor and used to calculate tax rates. It may be adjusted by the auditor to account for appeals. Net AV in the above table is summed from tax bills. It includes TIF allocations while Certified net AV does not. Gross AV also is summed from tax bills. Circuit breaker tax caps are calculated on gross AV.

Tipton County's total billed net assessed value increased by 2.8% in 2013. Increases in agricultural assessments were the main reason. Net assessed value for all of Indiana was nearly unchanged, rising by only 0.1%.

Tax Cap Category	2012	2013	Difference	% Change
1%	\$31,758	\$49,326	\$17,569	55.3%
2%	465,150	513,377	48,227	10.4%
3%	153,753	188,503	34,750	22.6%
Elderly	10,977	26,882	15,905	144.9%
Total	\$661,637	\$778,089	\$116,451	17.6%
% of Levy	4.4%	5.0%		

Total tax cap credits in Tipton County were \$778,089, which was 5.0% of the levy. This was less than the state average of 10.9%, but more than the median or typical county percentage of 4.2%. Tax rates were the main determinant of tax cap credits. Tipton County's average tax rate was less than the median rate

statewide, but tax cap credits as a share of the levy were above the statewide median. This was because the tax rate was above \$3 per \$100 assessed value in two big tax districts. Most of the tax cap credits in Tipton County were in the 2% nonhomestead residential/farmland category. A later table shows tax cap credits by category for each local government unit.

Tax cap credits in Tipton County increased \$116,451 between 2012 and 2013. Credits as a share of the total levy rose to 5.0% in 2013 from 4.4% in 2012.

Tipton County Levy Comparison by Taxing Unit

Taxing Unit	2009	2010	2011	2012	2013	% Change			
						2009 - 2010	2010 - 2011	2011 - 2012	2012 - 2013
<i>County Total</i>	13,912,529	14,367,815	14,574,588	14,515,812	15,092,914	3.3%	1.4%	-0.4%	4.0%
Tipton County	3,045,729	3,121,045	3,272,619	3,376,809	3,330,965	2.5%	4.9%	3.2%	-1.4%
Cicero Township	245,534	248,431	252,640	252,064	260,809	1.2%	1.7%	-0.2%	3.5%
Jefferson Township	50,894	51,797	53,315	54,722	53,697	1.8%	2.9%	2.6%	-1.9%
Liberty Township	63,999	65,099	65,770	66,946	67,954	1.7%	1.0%	1.8%	1.5%
Madison Township	101,083	103,038	106,336	59,262	113,412	1.9%	3.2%	-44.3%	91.4%
Prairie Township	13,889	14,175	14,401	14,954	15,017	2.1%	1.6%	3.8%	0.4%
Wildcat Township	114,523	118,042	110,309	64,850	130,529	3.1%	-6.6%	-41.2%	101.3%
Elwood Civil City	12,878	12,991	14,525	13,921	14,903	0.9%	11.8%	-4.2%	7.1%
Tipton Civil City	2,747,794	2,781,448	2,864,521	2,863,369	2,878,034	1.2%	3.0%	0.0%	0.5%
Kempton Civil Town	63,988	65,627	66,694	70,526	70,597	2.6%	1.6%	5.7%	0.1%
Sharpsville Civil Town	132,718	135,894	141,373	142,773	146,051	2.4%	4.0%	1.0%	2.3%
Windfall Civil Town	153,542	153,015	155,806	153,231	167,243	-0.3%	1.8%	-1.7%	9.1%
Tri-Central Community Schools	2,196,965	2,666,154	2,424,818	2,397,692	2,403,348	21.4%	-9.1%	-1.1%	0.2%
Tipton Community School Corp	4,081,127	3,957,072	4,096,205	4,015,759	4,472,079	-3.0%	3.5%	-2.0%	11.4%
Tipton County Public Library	775,564	759,237	815,829	842,796	844,876	-2.1%	7.5%	3.3%	0.2%
Tipton County Solid Waste	112,302	114,750	119,427	126,138	123,400	2.2%	4.1%	5.6%	-2.2%

Tipton County 2013 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates				LOIT Residential	Net Tax Rate, Homesteads
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead		
80001	Cicero Township	1.4591	--	--	7.0516%	--	4.8971%	--	1.2848
80002	Tipton City	3.2313	--	--	13.4221%	--	4.8971%	--	2.6394
80003	Jefferson Township	1.4046	--	--	7.3315%	--	4.8971%	--	1.2328
80004	Kempton Town	2.7158	--	--	1.9270%	--	4.8971%	--	2.5305
80005	Liberty Township	1.4566	--	--	4.1802%	--	4.8971%	--	1.3244
80006	Sharpsville Town	2.6102	--	--	0.5356%	--	4.8971%	--	2.4684
80007	Madison Township	1.4613	--	--	6.0032%	--	4.8971%	--	1.3020
80008	Elwood City	3.6445	--	--	0.3648%	--	4.8971%	--	3.4527
80009	Prairie Township	1.4083	--	--	4.3631%	--	4.8971%	--	1.2779
80010	Wildcat Township	1.5723	--	--	39.8241%	--	4.8971%	--	0.8691
80011	Windfall Town	2.8523	--	--	2.3564%	--	4.8971%	--	2.6454

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Tipton County 2013 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total		
<i>Non-TIF Total</i>	49,326	513,377	188,503	26,882	778,089	15,092,914	5.2%
<i>TIF Total</i>	0	0	0	0	0	468,295	0.0%
<i>County Total</i>	49,326	513,377	188,503	26,882	778,089	15,561,209	5.0%
Tipton County	6,245	65,960	23,588	4,707	100,501	3,330,965	3.0%
Cicero Township	142	1,424	605	465	2,636	260,809	1.0%
Jefferson Township	2	99	0	19	120	53,697	0.2%
Liberty Township	19	211	0	48	277	67,954	0.4%
Madison Township	20	13	23	117	172	113,412	0.2%
Prairie Township	0	0	0	6	6	15,017	0.0%
Wildcat Township	35	1,162	0	63	1,259	130,529	1.0%
Elwood Civil City	1,247	827	1,417	0	3,491	14,903	23.4%
Tipton Civil City	25,395	254,838	108,290	9,104	397,627	2,878,034	13.8%
Kempton Civil Town	116	5,579	0	167	5,861	70,597	8.3%
Sharpsville Civil Town	1,063	11,900	0	297	13,260	146,051	9.1%
Windfall Civil Town	530	17,617	0	906	19,052	167,243	11.4%
Tri-Central Community Schools	1,106	19,786	0	1,649	22,540	2,403,348	0.9%
Tipton Community School Corp	11,593	114,787	47,724	7,968	182,072	4,472,079	4.1%
Tipton County Public Library	1,584	16,730	5,983	1,194	25,491	844,876	3.0%
Tipton County Solid Waste	231	2,444	874	174	3,723	123,400	3.0%
TIF - 5 US 31 SR 28 1Area	0	0	0	0	0	468,295	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.